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Mexico

Oilseeds and Products

Oilseeds Annual Report

2007

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Report Highlights:
MY 2007/08 oilseed imports and domestic production levels will remain largely unchanged from those of MY 2006/07. Domestic oilseed consumption is estimated to increase by only two percent in the coming marketing year, reflecting a slow down in the Mexican economy and a reduction in per capita purchasing power. The same trend is reflected in oilmeals and oils, where there is practically no expected change in domestic consumption over MY 2006/07. Soybean meal will maintain an 84 percent share of the oil meal market, practically all of which is imported from the United States. Soybean oil and rapeseed oil constitute nearly all of the oils consumed in Mexico

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Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Mexico [MX1]
[MX]

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SECTION I. SITUATION AND OUTLOOK FOR OILSEEDS

Demand for oilseed products in MY 2007/08 is forecasted to increase by only two percent, a lower rate of growth than what was registered in MY 2006/07. Consumer demand for soybean oil is expected to increase by approximately 1.1 percent in MY 2007/08, while demand for rapeseed oil should increase by roughly 4.5 percent. Demand for oilmeals will remain basically unchanged in the coming year.

These relatively low oilseed and oilseed product growth rates are primarily attributable to the country's expected macroeconomic performance in CY 2007, as the outlook for the Mexican economy this year is less favorable than that of CY 2006. Mexico's Gross Domestic Product (GDP) is forecast to grow by 3.4 percent in 2007, compared to 4.46 percent growth in 2006. Inflation is also playing a significant role in food consumption patterns. From March 2006 to February 2007 year-over-year inflation was roughly 4.1 percent. That is far lower than the triple-digit inflation experienced in the 1980's, but it is well above the central bank's target rate of 3 percent. Staple foods have been the primary drivers of these inflation figures. For instance, Mexico, along with the rest of the world, experienced a surge in corn prices at the beginning of the year as a result of global demand for meat products and ethanol feedstock. This dynamic pushed tortilla prices upwards, inciting the ire of Mexican consumers across the income spectrum (See MX7024). Private economists estimate that consumer purchasing power will actually be less in CY 2007 because of the economic climate. Therefore, domestic demand for meat products may retreat somewhat as higher prices will force middle and lower-income consumers to substitute meat and poultry for less expensive protein sources. At the same time, Mexican consumers will reduce their consumption of products containing vegetable oils, particularly soybean oil, as stagnant incomes will discourage demand for convenience foods and other vegetable oil derived products.

For MY 2007/08, imports of U.S. oilseeds are forecast to increase, albeit at a slower pace than MY 2006/07. The U.S. continues to be the major supplier to Mexico due to geographic proximity and successful market promotion efforts. Imports will continue to be dominated by soybeans, followed by rapeseed, peanuts, and sunflower seed. The U.S. is expected to hold approximately 73 percent of the oilseed import market, followed by Canada. U.S. soybean exports to Mexico are expected to increase by approximately 1.9 percent in MY 2007/08.

Oilmeal imports are expected to continue to increase in the near term, albeit at a much slower pace than last year. This very slight demand growth is being fueled by the livestock industry.

Soybean production in Mexico is forecast to increase to 100,000 MT in MY 2007/08 (August-September), which is more a reflection of an increase in harvested area than an increase in yields. It should be noted that during the 2006 spring/summer crop cycle, soybean yields were adversely affected by white fly infestation in producing regions in Sinaloa, and a severe drought at the beginning of the planting season in Tamaulipas. In addition, MY 2006/07 planted and harvested areas were lower than previously anticipated, as many growers opted to switch from soybeans to corn production. Due to these factors, the estimate of Mexican soybean production for MY 2006/07 has been decreased to 80,000 MT. The production estimate and harvested area for MY 2005/06 reflects the latest official Mexican government data. Despite the forecasted increase in MY 2007/08 Mexican soybean production, total domestic production will continue to account for less than 3 percent of total consumption, with the remainder coming from imports.

Mexican peanut production is expected to remain unchanged in MY 2007/08, due to unattractive domestic prices and practically nonexistent government supports. Rapeseed and sunflower production are basically nil.

SECTION II. STATISTICAL TABLES

PS&D TOTAL, OILSEEDS

PSD TABLE									
Country:	Mexico								
Commodity:	Total oilseeds								(1000 MT)(1000 HECTARES)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Area planted	163	171	151	173	179	129	0	0	121
Area harvested	145	145	138	172	172	100			111
Beginning stocks	86	86	86	110	70	150	0	0	104
Production	215	215	255	254	254	151	0	0	171
MY imports	5113	5029	5083	5290	5187	5320	0	0	5454
MY imports from U.S.	3753	3455	3754	3883	3846	3923	0	0	3998
MY imports from EC	0	66	66	65	65	65	0	0	70
TOTAL SUPPLY	**5414**	**5330**	**5424**	**5654**	**5511**	**5621**	**0**	**0**	**5729**
MY Exports	3	1	0	3	1	0	0	0	0
MY Exports to the EC	0	0	0	0	0	0	0	0	0
Industrial Dom. Consum	5068	5041	5067	5297	5217	5296	0	0	5405
Food Use Dom. Consump.	197	182	171	211	186	182	0	0	187
Feed,Seed, Waste Dm.Cn.	36	36	36	39	38	39	0	0	38
Total Dom. Consumption	5301	5259	5274	5547	5441	5517	0	0	5630
Ending Stocks	110	70	150	104	69	104	0	0	99
TOTAL DISTRIBUTION	**5414**	**5330**	**5424**	**5654**	**5511**	**5621**	**0**	**0**	**5729**
Calendar Year Imports	5314	4886	5220	5315	5057	5339	0	0	5497
Calendar Yr Imp. U.S.	3805	3727	3728	3810	3863	3907	0	0	3998
Calendar Year Exports	8	1	1	8	1	8	0	0	0
Calndr. Yr. Exp. To U.S.	0	1	0	0	1	0	0	0	0

PS&D OILSEED, SOYBEAN

PSD TABLE									
Country	Mexico								
Commodity	Oilseed, Soybean						(1000 HA)(1000 MT)		
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	09/2005			09/2006			09/2007		
Area Planted	100	107	106	110	115	78	0	0	70
Area Harvested	97	97	93	110	110	54	0	0	65
Beginning Stocks	47	47	47	41	41	81	40	40	40
Production	145	145	185	160	160	80	0	0	100
MY Imports	3,667	3,725	3,667	3,775	3,855	3,815	0	0	3,880
MY Imp. from U.S.	3,667	3,350	3,667	3,775	3,740	3,815	0	0	3,880
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**3,859**	**3,917**	**3,899**	**3,976**	**4,056**	**3,976**	**40**	**40**	**4,020**
MY Exports	0	1	0	0	1	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	3,783	3,840	3,783	3,900	3,980	3,900	0	0	3,940
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	35	35	35	36	35	36	0	0	35
Total Dom. Cons.	3,818	3,875	3,818	3,936	4,015	3,936	0	0	3,975
Ending Stocks	41	41	81	40	40	40	0	0	45
Total Distribution	**3,859**	**3,917**	**3,899**	**3,976**	**4,056**	**3,976**	**0**	**0**	**4,020**
CY Imports	3,773	3,714	3,714	3,775	3,845	3,815	0	0	3,900
CY Imp. from U.S.	3,770	3,652	3,652	3,775	3,780	3,815	0	0	3,900
CY Exports	0	1	1	0	1	0	0	0	0

PS&D OILSEEDS, RAPESEED

PSD TABLE									
Country	Mexico								
Commodity	Oilseed, Rapeseed					(1000 HA)(1000 MT)			
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0	0	0	0
Beginning Stocks	38	38	38	68	28	68	63	28	63
Production	0	0	0	0	0	0	0	0	0
MY Imports	1,294	1,175	1,294	1,375	1,220	1,375	0	0	1,440
MY Imp. from U.S.	41	65	44	70	70	70	0	0	76
MY Imp. from EU	0	66	66	65	65	65	0	0	70
Total Supply	**1,332**	**1,213**	**1,332**	**1,443**	**1,248**	**1,443**	**63**	**28**	**1,503**
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	1,264	1,185	1,264	1,380	1,220	1,380	0	0	1,450
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	1,264	1,185	1,264	1,380	1,220	1,380	0	0	1,450
Ending Stocks	68	28	68	63	28	63	0	0	53
Total Distribution	**1,332**	**1,213**	**1,332**	**1,443**	**1,248**	**1,443**	**0**	**0**	**1,503**
CY Imports	1,391	1,059	1,391	1,400	1,100	1,400	0	0	1,470
CY Imp. from U.S.	0	41	36	0	45	45	0	0	50
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PS&D OILSEEDS, SUNFLOWERSEED

PSD TABLE									
Country	Mexico								
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)				
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	0	1	0	0	1	1	0	0	1
Area Harvested	1	1	1	1	1	1	0	0	1
Beginning Stocks	1	1	1	1	1	1	1	1	1
Production	1	1	1	1	1	1	0	0	1
MY Imports	17	12	17	15	15	15	0	0	14
MY Imp. from U.S.	10	5	11	8	6	8	0	0	7
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**19**	**14**	**19**	**17**	**17**	**17**	**1**	**1**	**16**
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	17	12	17	13	13	13	0	0	12
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	1	1	1	3	3	3	0	0	3
Total Dom. Cons.	18	13	18	16	16	16	0	0	15
Ending Stocks	1	1	1	1	1	1	0	0	1
Total Distribution	**19**	**14**	**19**	**17**	**17**	**17**	**0**	**0**	**16**
CY Imports	15	12	12	15	14	17	0	0	16
CY Imp. from U.S.	0	5	5	0	6	12	0	0	11
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PS&D OILSEEDS, PEANUT

PSD TABLE									
Country	Mexico								
Commodity	Oilseed, Peanut								(1000 HA)(1000 MT)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	09/2005			09/2006			09/2007		
Area Planted	63	63	45	63	63	50	0	0	50
Area Harvested	47	47	44	61	61	45	0	0	45
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	69	69	69	93	93	70	0	0	70
MY Imports	135	117	105	125	97	115	0	0	120
MY Imp. from U.S.	35	35	32	30	30	30	0	0	35
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**204**	**186**	**174**	**218**	**190**	**185**	**0**	**0**	**190**
MY Exports	3	0	0	3	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	4	4	3	4	4	3	0	0	3
Food Use Dom. Cons.	197	182	171	211	186	182	0	0	187
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	201	186	174	215	190	185	0	0	190
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	**204**	**186**	**174**	**218**	**190**	**185**	**0**	**0**	**190**
CY Imports	135	101	103	125	98	107	0	0	111
CY Imp. from U.S.	35	29	35	35	32	35	0	0	37
CY Exports	8	0	0	8	0	8	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PS&D TOTAL OILMEALS

PSD TABLE									
Country:	Mexico								
Commodity:	Total Oilmeals								(1000 MT)(PERCENT)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Crush	5068	5041	5067	5297	5217	5296	0	0	5405
Extr. Rate									
Beginning stocks	108	108	108	111	111	115	0	0	84
Production	3698	3615	3698	3849	3810	3849	0	0	3915
MY imports	1748	1233	1308	1914	1264	1394	0	0	1410
MY imports from U.S.	1717	1230	1307	1904	1263	1392	0	0	1404
MY imports from EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	**5554**	**4956**	**5114**	**5874**	**5185**	**5358**	0	0	**5409**
MY Exports	4	2	2	4	2	4	0	0	2
MY Exports to the EC	0	0	0	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0	0	0	0
Food Use Dom. Consump.	50	50	50	50	50	50	0	0	50
Feed,Seed, Waste Dm.Cn.	5389	4793	4947	5709	5027	5220	0	0	5270
Total Dom. Consumption	5439	4843	4997	5759	5077	5270	0	0	5320
Ending Stocks	111	111	115	111	106	84	0	0	87
TOTAL DISTRIBUTION	**5554**	**4956**	**5114**	**5874**	**5185**	**5358**	0	0	**5409**
Calendar Year Imports	1478	1233	1233	1754	1251	1323	0	0	1329
Calendar Yr Imp. U.S.	1444	1228	1228	1750	1249	1319	0	0	1327
Calendar Year Exports	0	1	3	0	1	2	0	0	2
Calndr. Yr. Exp. To U.S.	0	1	0	0	1	0	0	0	0

PS&D MEAL, SOYBEAN

PSD TABLE									
Country	Mexico								
Commodity	Meal, Soybean								(1000 MT)(PERCENT)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	09/2005			09/2006			09/2007		
Crush	3,783	3,840	3,783	3,900	3,980	3,900	0	0	3,940
Extr. Rate, 999.9999	0.7930214	0.7929687	0.7930214	0.7930769	0.7932160	0.7930769	0	0	0.7931472
Beginning Stocks	108	108	108	111	111	115	111	106	84
Production	3,000	3,045	3,000	3,093	3,157	3,093	0	0	3,125
MY Imports	1,714	1,200	1,249	1,900	1,250	1,330	0	0	1,380
MY Imp. from U.S.	1,714	1,200	1,249	1,900	1,250	1,330	0	0	1,380
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**4,822**	**4,353**	**4,357**	**5,104**	**4,518**	**4,538**	**111**	**106**	**4,589**
MY Exports	4	2	2	4	2	4	0	0	2
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	50	50	50	50	50	50	0	0	50
Feed Waste Dom. Cons.	4,657	4,190	4,190	4,939	4,360	4,400	0	0	4,450
Total Dom. Cons.	4,707	4,240	4,240	4,989	4,410	4,450	0	0	4,500
Ending Stocks	111	111	115	111	106	84	0	0	87
Total Distribution	**4,822**	**4,353**	**4,357**	**5,104**	**4,518**	**4,538**	**0**	**0**	**4,589**
CY Imports	1,444	1,180	1,180	1,750	1,230	1,260	0	0	1,300
CY Imp. from U.S.	1,444	1,180	1,180	1,750	1,230	1,260	0	0	1,300
CY Exports	0	1	3	0	1	2	0	0	2
CY Exp. to U.S.	0	1	0	0	1	0	0	0	0

PS&D MEAL, RAPESEED

PSD TABLE									
Country	Mexico								
Commodity	Meal, Rapeseed					(1000 MT)(PERCENT)			
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Crush	1,264	1,185	1,264	1,380	1,220	1,380	0	0	1,450
Extr. Rate, 999.9999	0.5458860	0.4767932	0.5458860	0.5434782	0.5311475	0.5434782	0	0	0.541379
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	690	565	690	750	648	750	0	0	785
MY Imports	30	30	55	10	10	60	0	0	25
MY Imp. from U.S.	0	27	54	0	9	58	0	0	24
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**720**	**595**	**745**	**760**	**658**	**810**	**0**	**0**	**810**
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	720	595	745	760	658	810	0	0	810
Total Dom. Cons.	720	595	745	760	658	810	0	0	810
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	**720**	**595**	**745**	**760**	**658**	**810**	**0**	**0**	**810**
CY Imports	30	50	50	0	17	58	0	0	24
CY Imp. from U.S.	0	45	45	0	15	54	0	0	22
CY Exports	0	0	0	0	0	0	0	0	0

PS&D MEAL, SUNFLOWER

PSD TABLE									
Country	Mexico								
Commodity	Meal, Sunflowerseed				(1000 MT)(PERCENT)				
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005			10/2006			10/2007	10/2007
Crush	17	12	17	13	13	13	0	0	12
Extr. Rate, 999.9999	0.4705882	0.4166666	0.4705882	0.4615384	0.3846153	0.4615384	0	0	0.4166666
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	8	5	8	6	5	6	0	0	5
MY Imports	4	3	4	4	4	4	0	0	5
MY Imp. from U.S.	3	3	4	4	4	4	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**12**	**8**	**12**	**10**	**9**	**10**	**0**	**0**	**10**
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	12	8	12	10	9	10	0	0	10
Total Dom. Cons.	12	8	12	10	9	10	0	0	10
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	**12**	**8**	**12**	**10**	**9**	**10**	**0**	**0**	**10**
CY Imports	4	3	3	4	4	5	0	0	5
CY Imp. from U.S.	0	3	3	0	4	5	0	0	5
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PS&D OIL TOTAL

PSD TABLE									
Country:	Mexico								
Commodity:	Total oils				(1000 MT)				
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Crush	5064	5037	5064	5293	5213	5293	0	0	5402
Extr. Rate									
Beginning stocks	8	9	8	7	8	7	0	0	9
Production	1152	1017	1152	1205	683	1205	0	0	1239
MY imports	303	368	280	309	248	280	0	0	279
MY imports from U.S.	187	250	172	184	161	183	0	0	186
MY imports from EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	**1463**	**1394**	**1440**	**1521**	**939**	**1492**	**0**	**0**	**1527**
MY Exports	38	38	38	38	44	38	0	0	38
MY Exports to the EC	2	2	2	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0	0	0	0
Food Use Dom. Consump.	1413	1343	1390	1469	881	1440	0	0	1479
Feed,Seed, Waste Dm.Cn.	5	5	5	5	5	5	0	0	5
Total Dom. Consumption	1418	1348	1395	1474	886	1445	0	0	1484
Ending Stocks	7	8	7	9	9	9	0	0	5
TOTAL DISTRIBUTION	**1463**	**1394**	**1440**	**1521**	**939**	**1492**	**0**	**0**	**1527**
Calendar Year Imports	305	409	330	220	284	222	0	0	276
Calendar Yr Imp. U.S.	196	267	195	210	170	161	0	0	166
Calendar Year Exports	38	39	39	38	41	35	0	0	37
Calndr. Yr. Exp. To U.S.	0	37	36	0	38	34	0	0	35

PS&D OIL, SOYBEAN

PSD TABLE									
Country	Mexico								
Commodity	Oil, Soybean								(1000 MT)(PERCENT)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	09/2005			09/2006			09/2007		
Crush	3,783	3,840	3,783	3,900	3,980	3,900	0	0	3,940
Extr. Rate, 999.9999	0.1731430	0.1705729	0.1731430	0.1705128	0.1703517	0.1705128	0	0	0.170558
Beginning Stocks	6	7	6	5	6	5	7	7	7
Production	655	655	655	665	678	665	0	0	672
MY Imports	122	150	122	125	155	125	0	0	122
MY Imp. from U.S.	107	150	107	120	155	120	0	0	122
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**783**	**812**	**783**	**795**	**839**	**795**	**7**	**7**	**801**
MY Exports	1	1	1	1	2	1	0	0	1
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	772	800	772	782	825	782	0	0	792
Feed Waste Dom. Cons.	5	5	5	5	5	5	0	0	5
Total Dom. Cons.	777	805	777	787	830	787	0	0	797
Ending Stocks	5	6	5	7	7	7	0	0	3
Total Distribution	**783**	**812**	**783**	**795**	**839**	**795**	**0**	**0**	**801**
CY Imports	120	161	161	125	166	108	0	0	110
CY Imp. from U.S.	106	161	161	120	166	104	0	0	108
CY Exports	1	1	1	1	1	0	0	0	1
CY Exp. to U.S.	0	1	0	0	1	0	0	0	0

PS&D OIL, RAPESEED

PSD TABLE									
Country	Mexico								
Commodity	Oil, Rapeseed					(1000 MT)(PERCENT)			
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Crush	1,264	1,185	1,264	1,380	1,220	1,380	0	0	1,450
Extr. Rate, 999.9999	0.3876582	0.3012658	0.3876582	0.3876811	0	0.3876811	0	0	0.387586
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	490	357	490	535	0	535	0	0	562
MY Imports	90	133	67	89	0	60	0	0	60
MY Imp. from U.S.	60	95	42	58	0	38	0	0	38
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**580**	**490**	**557**	**624**	**0**	**595**	**0**	**0**	**622**
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	580	490	557	624	0	595	0	0	622
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	580	490	557	624	0	595	0	0	622
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	**580**	**490**	**557**	**624**	**0**	**595**	**0**	**0**	**622**
CY Imports	90	140	61	0	0	66	0	0	66
CY Imp. from U.S.	90	100	28	90	0	30	0	0	30
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PS&D OIL, SUNFLOWER

PSD TABLE									
Country	Mexico								
Commodity	Oil, Sunflowerseed			(1000 MT)(PERCENT)					
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Crush	17	12	17	13	13	13	0	0	12
Extr. Rate, 999.9999	0.4117647	0.4166666	0.4117647	0.3846153	0.3846153	0.3846153	0	0	0.4166666
Beginning Stocks	2	2	2	2	2	2	2	2	2
Production	7	5	7	5	5	5	0	0	5
MY Imports	91	85	91	95	93	95	0	0	97
MY Imp. from U.S.	20	5	23	6	6	25	0	0	26
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	**100**	**92**	**100**	**102**	**100**	**102**	**2**	**2**	**104**
MY Exports	37	37	37	37	42	37	0	0	37
MY Exp. to EU	2	2	2	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	61	53	61	63	56	63	0	0	65
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	61	53	61	63	56	63	0	0	65
Ending Stocks	2	2	2	2	2	2	0	0	2
Total Distribution	**100**	**92**	**100**	**102**	**100**	**102**	**0**	**0**	**104**
CY Imports	95	108	108	95	118	48	0	0	100
CY Imp. from U.S.	0	6	6	0	4	27	0	0	28
CY Exports	37	38	38	37	40	35	0	0	36
CY Exp. to U.S.	0	36	36	0	37	34	0	0	35

FEED DEMAND STRATEGIC INDICATOR TABLES FOR MEXICO				
MEAT PRODUCTION				
Calendar Year:	2003	Last Year 2004	Current Year 2005	Out Year Forecast 2006
Poultry				
Poultry Meat:	2,297,000	2,380,000	2,498,000	2,576,000
Eggs:	1,956,351	1,995,478	2,276,865	N/A
Pork:	1,043,030	1,068,848	1,195,000	1,200,000
COMPOUND FEED SECTOR				
Calendar Year:	2003	Last Year 2004	Current Year 2005	Out Year Forecast 2006
Compound Feed Capacity	30,500,000	31,000,000	32,500,000	N/A
Total Compound Feed Produced	22,533,000	22,725,000	24,600,000	N/A
------ by integrated producers	14,583,000	14,575,000	15,850,000	N/A
------ by commercial producers	7,995,000	8,150,000	8,750,000	N/A
FEED GRAIN USE				
Marketing Year:	2003	Last Year 2004	Current Year 2005	Out Year Forecast 2006
Corn (Domestic consumption: feed)	11,200,000	12,100,000	12,400,000	147,000,000
Other (specify)	N/A	N/A	N/A	N/A
PROTEIN - ENERGY USAGE				
Marketing Year:	2003	Last Year 2004	Current Year 2005	Out Year Forecast 2006
Total Protein Meal (feed waste domestic consumption)	4,979,000	5,194,000	5,161,000	5,501,000
Soy Bean Meal (feed waste domestic consumption)	4,179,000	4,043,000	4,190,000	4,360,000
Other Protein Meal, e.g. Palm Kernel Meal, Rape Meal (feed waste domestic consumption)	800,000	1,151,000	971,000	1,043,000
Fish Meal	N/A	N/A	N/A	N/A
Palm Crude Oil (feed waste domestic consumption)	N/A	N/A	N/A	N/A
TRADE (Metric Tons)				
Calendar Year:	2003	Last Year 2004	Current Year 2005	Out Year Forecast 2006
Corn				
Imports:	5,756,354	5,518,690	5,743,678	7,609,939
Exports:	2,059	1,937	46,426	175,043
Soy Beans				
Imports:	4,175,876	3,539,023	3,714,009	3,765,610

Exports:	2,059	2,366	970	191
Soy Bean Meal				
Imports:	684,787	798,006	1,179,746	1,274,435
Exports:	849	582	2,919	4,687
Fish Meal				
Imports:	14,169	28,337	28,979	19,717
Exports:	19,021	8,714	11,469	51,035
Palm Crude Oil				
Imports:	187,203	263,860	268,668	317,076
Exports:	0	192	19	0

INDICATIVE OILSEED PRICES			
	As of march 27, 2007	As of February 27, 2007	As of October 2006
	US$/MT	US$/MT	US$/MT
Soybean			
Border	309.50	313.50	227.50
Gulf of Mexico	313.00	317.00	232.00
Pacific	317.00	319.00	234.00
Canola Seed			
Gulf	376.00	385.00	306.00
Pacific	371.80	380.00	299.50
Sunflower seed	N/A	N/A	N/A
Crude oil			
S. America soybean (Gulf of Mexico)	675.00	687.00	590.00
S. America sunflower	617.00	616.00	N/A
Canola (Pacific)	735.00	725.00	680.00
Palm	620.00	610.00	495.00
Palm olein	640.00	631.00	510.00
Palm stearin	615.00	587.00	465.00
Corn (Laredo)	815.00	805.00	715.00
Soybean meal			
Border	266.00	274.40	210.20

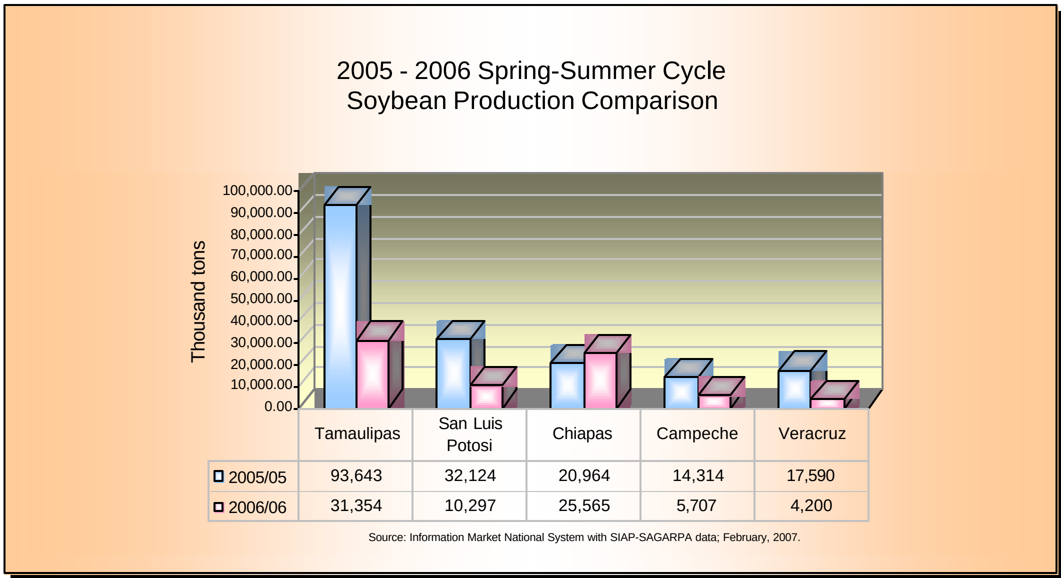
SECTION III. NARRATIVE ON SUPPLY, DEMAND, POLICY, & MARKETING

Mexico's overall oilseed production is forecast to increase by approximately 13 percent in MY 2007/08. All of this growth is attributed to an increase in soybean production. Still, the 100,000 MT of soybeans that are expected to be produced in Mexico is rather low compared to MY 2005/06. In general, many Mexican farmers are starting to move productive agricultural land into more profitable alternative crops, such as corn. Moreover, according to the National Association of Oils, Fats and Shortening (ANIAME), despite relatively attractive soybean prices, it is unlikely that planted area will increase significantly in the coming years, as Mexican farmers are more familiar with the cultural practices of crops such as corn and wheat. ANIAME, however, continues promoting the planting of oilseeds in Mexico, along with the Ministry of Agriculture (SAGARPA). In fact, SAGARPA is working with researchers to develop soybean seed varieties that are both drought tolerant and resistant to white fly infestation.

A flat-rate payment of 963 pesos/ha (roughly U.S. $86.52/ha) was provided to soybean growers, as well other commodity farmers, for the 2006 spring/summer crop cycle. This payment plan will be repeated for the 2006/07-fall/winter crop under PROCAMPO, the Mexican domestic agriculture support program. The GOM policy is that farmers with production areas of between one and five hectares will receive 1,160 pesos per hectare (approximately U.S. $104.22/ha). The GOM has yet to announce the payment amount for the 2007 spring/summer crop cycle.

Soybean Production

According to ANIAME, the planted area for soybeans will reach only 70,000 hectares (has), a 10.3 percent decrease from the revised MY 2006/07 area estimate of 78,000 has. Despite this lower planted area, production is expected to reach approximately 100,000 metric tons, an increase of 25 percent. This increase reflects the fact that a greater percentage of planted area will be harvested, and assumes the resumption of normal weather conditions. Despite this increase in production, Mexican growers still only supply 2.5 percent of total domestic consumption. Due to revised SAGARPA data, and preliminary information from private sources, FAS/Mexico estimates for soybean production, planted and harvested areas for MY 2006/07, were adjusted sharply downward. This reduction in soybean production and planted area is due to the lack of rainfall in the main production areas, and the switch from soybean to corn production. Both factors have led to severe reductions in planted area this year. Another issue that has affected soybean production has been white fly infestation in some producing regions. Lastly, Mexican soybean production is subject to unpredictable weather conditions, as roughly 91 percent of production takes place in non-irrigated areas. Below is a graph illustrating the difference in the 2005 vs. 2006 spring/summer crop production in the main producing states, with data as of February 28, 2007:



Peanut Production

MY 2007/08 Mexican peanut production is expected to remain unchanged at 70,000 MT in MY 2007/08 (September/August), and peanut planting intentions are consistent with historical averages. The estimates of planted and harvested areas from MY 2005/06 have been revised downward based on official SAGARPA data. Planted area in the main producing states decreased by over 28 percent during MY 2005/06, compared with a year earlier, reflecting dry weather conditions. In Mexico, peanut production is concentrated in four states; Chiapas, Puebla, Sinaloa and Chihuahua, which represent approximately 68 percent of total production. Industry sources have stated that it is not likely that peanut production will increase in the medium term. The primary reasons for this stagnation in production levels are that:

- Peanut growers have little, or no, access to credit;
- GOM support programs for peanuts are low, relative to other crops; and
- Mexican producers cannot compete against low-priced imported peanuts from Nicaragua, China, and Argentina.

As a result, many peanut farmers are starting to look to move productive land into more profitable alternative crops, such as corn. Thus, peanut production and planted and harvested areas for the MY 2006/07 have been adjusted downward-based on preliminary industry information.

The peanut import estimates for MYs 2005/06 and 2006/07 have been adjusted downward and upward, respectively, based on the Secretariat of Economy (SE) data. MY 2007/08 peanut imports are forecast to increase by approximately 4 percent, to 120,000 MT.

Consumption, Total

Total oilseed consumption is expected to increase by nearly two percent in MY 2007/08, a considerably lower rate of increase than that of MY 2006/07. Despite the fact that this increase in demand is primarily attributable to the livestock sector, higher feed costs are expected to lead to a slight slump in the beef, pork, and poultry meat markets in the medium term. Poultry producers, for example, estimate that consumption of oilseed meals will increase only one percent in MY 2007. This is significant, as over the last few years the poultry sector has increased oilseed meal consumption by an average of 3-4 percent annually. The poultry sector continues to be the major consumer of soybean meal in Mexico. Total consumption estimates for MY 2005/06 and MY 2006/07 have been revised upward based on updated information from ANIAME.

MY 2007/2008 domestic soybean demand is forecast at 3.975 MMT, only one percent higher than the revised MY 2006/07 consumption estimate. Industry sources stated this rather slight increase reflects the fact that consumers have less purchasing power than in previous years. Soybean consumption growth by the poultry industry (through soybean meal consumption) will be dampened due to the expected increase in consumer prices of poultry, meat, and eggs. Industry sources have reported that poultry, beef and pork producers have been reluctant to pass on the effects of the recent surge in feed grain prices to the industry, traders, or the final consumer. However, these sources have stated that they cannot maintain their current pricing structure beyond May. Thus, a price increase in meat products could be in place by the summer of 2007. For MY 2005/06 and MY 2006/07, domestic soybean consumption estimates have been revised downward reflecting the most recent information. Decreased demand has led to lower than expected imports in both years.

Five companies represent nearly 80 percent of crusher capacity in Mexico. These include HISA, Agydsa, Ragdsa, Cargill, and La Corona. Competition between these firms is fierce and in order to stay competitive these firms have made significant investments in their plants in recent years with an eye towards reducing costs and expanding services. For example, Ragdsa, a Monterrey company, recently built a new soybean bottling plant and 100 rail car capacity train terminal in the state of Nuevo Leon. Similarly, HISA invested in a refinery and oil manufacturing plant in the state of Guanajuato. These investments exemplify the intention of large-scale crushers to continue to expand their capacity in an attempt to capture market share from each other and from small and medium size crushing firms. However, high-energy costs in Mexico continue to put Mexican crushers at a disadvantage relative to U.S. crushers.

MY 2007/08 rapeseed consumption is expected to increase by five percent to 1.45 MMT, as the crushers are tending to move from away from imports of soybean and sunflower-seeds to rapeseed, due to its higher oleic content. According to ANIAME, the Mexican hospitality, retail and industrial (HRI) sector has been calling for oil with more oleic content, such as the rapeseed oil. The consumption estimates for MYs 2005/06 and 2006/07, have been revised upward, to reflect more recent information.

MY 2007/08 sunflower seed consumption is expected to decrease slightly, due to sluggish demand from the confection, snack, and bird-food sectors, reflecting an expected slowdown in the Mexican economy. According to ANIAME over the last few years only a very small amount of total sunflower production has been used for oil and meal. The main users of sunflower seed continue to be the snack, confection, and bird-food sectors. The MY 2005/06 sunflower seed consumption estimate has been revised upward, based on industry information.

In MY 2007/08 Mexican peanut consumption is expected to increase very slightly to 190,000 MT. ANIAME indicated that approximately 90 percent of peanuts are consumed as snacks. Consumption estimates for MYs 2005 and 2006 have been revised downward, based on industry figures.

Trade Total

Total oilseed imports are forecast to reach 5.4 MMT in MY 2007/08, an increase of 2.5 percent over MY 2006/07. This increase, however, is lower than the rate of growth registered in MY 2006/07, and reflects an anticipated slowdown in the Mexican economy and a relatively lower level of consumer purchasing power. Soybeans continue to be the main imported oilseed, representing 71 percent of total oilseed imports in MY 2007/08, though soybean imports are forecast to increase by only 1.7 percent this marketing year. This slight increase primarily reflects the sluggish performance of the poultry and hog sectors. Meat industry producers are anticipating a slowdown in consumer demand as a result of price increases. Imports for MY 2005/06 reflect official data. The import estimate for MY 2006/07 has been revised slightly downward based on preliminary data from official and private sources.

Rapeseed (primarily canola) is the second most imported oilseed in Mexico. For MY 2007/08, rapeseed imports are expected to reach 1.44 MMT. This slight increase is driven by strong demand for canola oil from the HRI market segments. Canada continues to be the primary canola supplier to the Mexican market. MY 2005/06 and MY 2006/07 rapeseed imports were revised upward reflecting current statistical data. Sunflower seed imports are forecast to decline slightly to 14,000 MT due to their unpopularity as a cooking oil. Sunflower seed import estimates for MY 2005/06 have been revised upward based on end-of the year data from SE.

OIL MEALS

Production

As in past years, high protein soybean meal accounts for approximately 80 percent of total Mexican oil meal production. Production of oil meal from imported rapeseed and canola seed accounts for approximately 19 percent of total meal usage and is expected to increase slightly in MY2007/08, due to greater imports. Total meal production estimates for MY2005/06 and MY2006/07 were revised upward from previous estimates, based on updated industry information.

Soybean meal production estimates for MYs 2005/06 and 2006/07 have been revised downward, reflecting updated industry information. For MY 2007/08 production is expected to increase by only one percent due to the expected sluggish demand from the livestock sector. Industry sources have stated that the big crushers occasionally find that it is more profitable to halt crushing and instead import oil meal, as already thin crushing margins can disappear when variable input costs increase. As already mentioned, the prices of some inputs, such gas and electricity, are higher in Mexico than the U.S.

Consumption

Consumption of all oil meal products is forecast to increase to 5.32 MMT in MY 2007/08, up only 1.0 percent compared to revised MY 2006/07 data, and reflecting the expected slow growth of the livestock feed sector. Imported products will continue to represent approximately 26 percent of Mexico’s total oil meal consumption. Soybean meal is likely to continue to be the ingredient of choice for the poultry and swine industries. Rapeseed meal consumption, which is used mainly by the swine and dairy sectors, is expected to comprise approximately 15 percent of total meal consumption. Total oil meal consumption figures were revised upward for both MYs 2005/06 and 2006/07, reflecting the most recent information.

Soybean meal consumption increased slightly in MY 2006/07 over last year's estimate, and is expected to continue to increase in the medium term, albeit at measured pace, due to slowing demand from the poultry and hog industries.

MY 2007/08 rapeseed meal production is expected to increase slightly to 785,000 MT. Rapeseed meal estimates for MYs 2005/06 and 2006/07 have been revised upward, in accordance with information obtained from industry sources.

The consumption estimate of sunflower meal has been revised upward in MYs 2005/06 and 2006/07 to 12,000 MT and 10,000 MT, respectively, based on the most recent industry information. Industry sources indicated that sunflower seed meal has very low acceptance rate by the crushing industry and feed manufactures due to its high fiber content.

Trade

It is expected that oil meal imports will increase slightly to 1.4 MMT in MY 2007/08. The U.S. should again capture 99 percent of total meal import market, as it has for the past few years. Greater than previously estimated demand caused oil meal imports to increase in MYs 2005/06 and 2006/07

Soybean meal import estimates for MYs 2005/06 and 2006/07 have been revised upward in line with official SE data. Imports are expected to increase only slightly in MY 2007/08 given expected sluggish demand from the livestock sector.

Rapeseed meals import estimates for MYs 2005/06 and 2006/07 have been revised upward based on official SE data. For MY 2007/08, however, rapeseed imports are expected to decline given the expected increase in domestic production and stagnant demand. Sunflower seed meal imports are forecast to increase to 5,000 MT in MY 2007/08. Import estimates of sunflower seed meal for MY 2005/06 have been revised upward reflecting official data.

OILS

Production

Soybean oil continues to constitute the majority Mexico's oil production. In MY 2007/08 soybean oil will represent 54 percent of total Mexican oil output, with rapeseed oil representing 45 percent. Total oil production is expected to increase by approximately 4.6 percent in MY 2006/07 and by roughly 2.8 percent in MY 2007/08. Industry sources stated that these increases are being driven by greater demand from the HRI sectors. Growth in these sectors is largely attributable to general population growth and the relative affordability of domestically produced vegetable oils. The estimates of total Mexican oil production for MYs 2005/06 and 2006/07 have been increased in accordance with more recent industry information. Industry sources have indicated that crushers are continuing to operate at approximately 70-75 percent of capacity.

Soybean oil production is expected to increase very modestly to 672,000 MT in MY2007/08, primarily reflecting population growth. The MY 2006/07 soybean oil production estimates have been reduced from the previous estimates based on updated information from industry sources.

Rapeseed oil continues to make up a significant and growing percentage of total oil output. In MY 2005/06 rapeseed oil accounted 42 percent of total oil output. In MY 2006/07, this share increased to 44.4 percent, and is forecast to reach 45.4 percent in MY 2007/08. The

MY 2005/06 rapeseed oil production estimate has been increased from the previous estimate, due to favorable seed prices. Sunflower oil production and import estimates are expected to remain largely unchanged, as alternative oilseeds continue to be more price-competitive.

Currently, five leading companies, La Corona, Agydsa, Hidrogenadora Yucateca, Industrial Aceitera and Aceites Industriales El Zapote, account for nearly 70-75 percent of total domestic oil production. These big oil processors have continued to invest in their plants as well as made changes to their brand images and packaging. For example Agysda recently launched a new 20-liter soybean oil container for the HRI market. Hidrogenadora Yucateca launched new soybean oil labels in San Luis Potosi and Sonora markets in an attempt to increase their market share in the cooking oil segment. This strategy proved successful, and they will be launching a new soybean oil label in the Yucatan in 2007.

Consumption

Oil consumption is expected to increase by 2.7 percent in MY 2007/08. This increase is driven by greater demand from the industrial and retail sectors due to population growth, as well as a shifting consumer preference towards mid-oleic oils. ANIAME reported that the industrial sector, including snack food and bakeries manufacturers (such as Bimbo, Gamesa, Frito Lay, etc.), are now opting to cook with oils with reduced linolenic acid in order to reduce the amount of hydrogenated oil in their food products.

Soybean oil is the dominant vegetable oil consumed in Mexico, holding a 54 percent share of the market. This calculation does not take into consideration palm and coconut, as no official data on these commodities are collected. Rapeseed oil is expected to maintain a 45 percent market share in MY 2007/08. Soybean oil consumption estimates for MY 2005/06 and 2006/07 were revised downward based on updated information from the industry.

Sunflower oil estimates for MYs 2005/06 and 2006/07 were revised upward, based on revisions by ANIAME and SAGARPA. Sunflower oil consumption is forecast to increase to 65,000 MT in MY 2007/08.

As illustrated below, pricing for vegetable oils has not changed significantly over the past year. Soybean oil prices constituted the largest increase, an eight percent hike over the previous year, with corn oil and mixed vegetable oil prices remaining basically flat. Safflower oil prices declined by nearly 20 percent, though it is unlikely that this reduction is indicative of a larger trend.

Variety	Presentation	February 06 (pesos)	February 07 (pesos)
Mixed vegetables	1lt. 12 bottle box	135.99	138.12
Soybean	1lt. 12 bottle box	120.00	130.00
Corn	1lt. 12 bottle box	244.97	223.62
Corn	17 lt. Can	325.25	325.50
Safflower	17 lt. Can	178.50	144.00

Source: Servicio Nacional de Información de mercados, SNIIM-SE.
Exchange rate (April 12, 2007) US $ 1.00 = 11.06 Pesos

Trade

With the expected slowdown of the Mexican economy, oil imports are forecast to decline very slightly in MY 2007/08. In MY 2007/08 soybean oil is forecast to account for 44 percent of total oil imports, while sunflower and rapeseed oils are forecast to account for 35 and 21 percent, respectively. Soybean oil imports are expected to decrease by approximately 2.4 percent in MY 2007/08. The soybean oil import estimates for MYs 2005/06 and 2006/07 were revised downward based on revised SE information, with preliminary information for MY 2006/07.

The sunflower oil import estimates for MYs 2005/06 and 2006/07 have been increased based on revised SE data. Importers expect that sunflower oil import levels will remain stable in MY 2007/08, due to a lack of domestic production. For rapeseed oil, import estimates for MY 2005/06 have been decreased, reflecting official data. According to industry sources, there is a relatively high rate of substitutability between soybean oil and sunflower and rapeseed oils. Price continues to be one of the main factors in marketing vegetable oils in the Mexican marketplace. According to industry sources, another important factor is the fact that many manufacturers are working to move away from the use of oils with trans-fats in their baking processes. As a result companies have substituted partially hydrogenated oils (i.e soy oil) for palm oil, which has lower content of trans fatty acid.